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Memorandum for: THE RECORD

This paper was prepared by [redacted]
the request of the NIO/EUROPE, for the DCI as
background for a meeting with Secretary Defense
on Friday, 18 January 1985.

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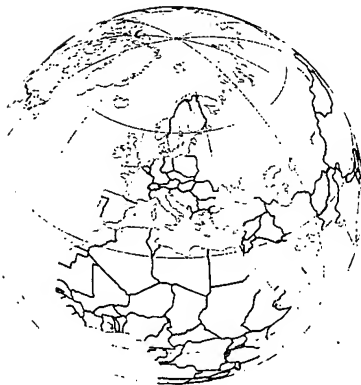
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EUR/WE/IA/S. [redacted]

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16 January 1985

Raising the Bases -- What is Spain After?

Prime Minister Felipe Gonzalez's government shares one major objective of US policy -- preserving Spanish membership in NATO. Gonzalez has moved cautiously, but he came out openly in favor of maintaining Spanish membership in his state of the nation speech last October and at the Socialist Party Congress in December. He did so at some political risk -- he had campaigned on an anti-NATO platform and the bulk of his party and the public remain opposed to membership in the Alliance. One major political hurdle remains -- Gonzalez's pledge prior to his election to hold a national referendum on the question no later than February 1986. [REDACTED]

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In his maneuvering on the NATO issue, Gonzalez has stated that continued membership in NATO might allow a reduction of the US military presence in Spain. The idea surfaced in the press last May, and members of the government and Gonzalez himself raised the subject with US Embassy officers around the same time. Gonzalez's only public mention of it came in his state of the nation address when he said that membership in NATO could permit Spain to move toward an "adjustment in favor of a progressively smaller presence of (US) forces." He did not mention the base issue at the Socialist Party Congress, although he had to fight hard to win acceptance of his pro-NATO stance.

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Gonzalez's Motives

We believe Gonzalez raised the US base issue for tactical reasons -- to stimulate support for the Alliance and to keep the issue from being preempted by his opponents. He has to deal with pressures from Communists, Socialist party members, and the general public, most of whom want Spain to take a more neutral posture. By all accounts, Gonzalez has long believed that Spain must establish the fullest possible ties with Europe, and we believe his experience as prime minister has led him to see NATO membership as a part of the package. These views are not shared by the majority of Spaniards, however, and Gonzalez has had to find ways of pulling a reluctant public along. Even before he raised the base issue, Gonzalez had linked NATO membership to Spain's entrance into the European Community and the eventual reassertion of Spanish control over Gibraltar. [REDACTED]

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[redacted]

By bringing up the base issue publicly, of course, Gonzalez risks raising public expectations and painting himself into a corner. He did so earlier on the EC and Gibraltar issues, but managed to extricate himself with little difficulty. In any event, we believe Gonzalez hopes to handle the issue ambiguously and avoid any explicit demands that would provoke a clash with the US. Maintaining good relations with the US continues to be one of his primary objectives. [redacted]

How Far Might Spain Go?

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We believe, nevertheless, that Gonzalez will seek to revise the present bases arrangement in some way. He hinted in August to Ambassador Enders that US forces should be consolidated in the south of Spain, a suggestion that implies closing Torrejon and Zaragoza. Both bases have long been prominent targets for opponents of the government's pro-Western foreign policy [redacted]

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Since raising the issue of Torrejon and Zaragoza, Gonzalez has backed away to a more ambiguous stance of seeking "cosmetic changes." This ambiguity has been adopted by all levels of the government, by Defense Minister Serra, Foreign Minister Moran, Chief of Staff Liberal, and Ambassador Manueco in Washington. In the most recent exposition of the Spanish position -- Serra's 12 December letter to Secretary Weinberger -- the Spanish made it clear that the "essential" point for them is a redefinition of the character of the bases and their relationship to Spain's defense and its role in the defense of Europe. Serra's letter also noted interest in a "progressively reduced" US presence, but gave no hint that the Spanish see this as an immediate goal. We believe they may be seeking -- or be persuaded to accept -- dubbing one or more of the bases "NATO" facilities, which would in effect "reduce" the number of US forces in Spain. [redacted]

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It is also possible that Spain may seek some form of US commitment to help secure Spain's southern flank. The security of the Spanish enclaves in Africa is an emotional issue in Spain, particularly among the military. They understand the Soviet threat, but they believe the more serious threat comes from the south -- from the unstable countries of North Africa and from Soviet meddling there. The recent Libyan-Moroccan accord has brought the issue back to center stage [redacted]

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For now, the Spanish are seeking a US contribution to upgrade Combat Grande, the early warning system for the south and central parts of Spain. This is a major interest because it would help strengthen Spain's defenses and help the government sell the idea that NATO membership benefits Spain as well as the US. [redacted]

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Issues that Could Affect Spain's Position

The Spanish military's support for maintaining the security relationship with the US does much to counterbalance the pressures emanating from the left. The military wants access to US training, materiel, and other support at a time when it regards modernization as essential. [REDACTED]

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But official attitudes are also affected by the balance of bilateral defense trade, which is overwhelmingly in favor of the US. According to the Embassy, in 1984 Spain bought 72 F-18s at a cost of \$2.8 billion, while the US bought communication cable costing around \$800,000. Because of the imbalance, the government places great importance on the F-15 maintenance contract it won last September 1984. It is worth around \$30 million over a 3-year period, but its greatest value is as a symbolic demonstration that Spain benefits materially as well as more abstractly from its alliance with the US. [REDACTED]

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Other issues could also have a negative impact on bilateral relations. Madrid has been dragging its feet, for example, on reexport controls for US dual-use technology. Spain is a relative newcomer to the world of high technology and it is reluctant to entertain any constraints that might limit its ability to compete in world markets. In addition, some officials -- especially Foreign Minister Moran -- see US demands for constraints as a threat to Spain's sovereignty and charge that the US is seeking both to limit Spain's export of potentially competitive products and to extend US laws beyond its own borders. [REDACTED]

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Gonzalez's sensitive political antennae offer the best hope that this problem will not get out of hand. We believe he will bear in mind that Spain needs an unimpeded flow of technology from the US to attain its goal of developing its electronics industry and to promote job creation. According to one senior Foreign Ministry official, Gonzalez will soon formulate the government's position and direct the Foreign Ministry to respond formally to the US request for negotiations on technology transfer issues.. [REDACTED]

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